Message Text

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TO AMEMBASSY QUITO IMMEDIATE

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GERALD SUTTON PASS TO DEP. ASST SEC GEORGE DALLEY

C O R R E C T E D C O P Y (MRN 200241 VICE 199960)

FOLLOWING REPEAT CARACAS 8315 ACTION SECSTATE INFO PORT OF SPAIN 22 AUG 77 OUOTE

CONFIDENTIAL CARACAS 8315

FOR ARA TODMAN AND ARELLANO FROM AMBASSADOR

EO 11652 GDS

TAGS: PSDC EAID TD VE

SUBJ: CARIBBEAN DEVELOPMENT: THE VENEZUELAN AND TRINIDADIAN PERSPECTIVES

REF: A USUN 2657; B PORTOF SPAIN 2420

1. I CALL YOUR ATTENTION TO THE POTENTIALLY SERIOUS PROBLEM CONTAINED IN THE CONTRADICTIONS BETWEEN PRESIDENT PEREZ' EXPECTATIONS AND PERCEPTIONS REGARDING CARIBBEAN CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 200241

DEVELOPMENT AND OUR POSITION, ON THE ONE HAND, AND THOSE-TO JUDGE FROM REF B-- OF ERIC WILLIMAS ON THE OTHER.

2. CAP, AS YOU KNOW, HAS ACTIVELY AND PERSISTENTLY URGED INTERNATIONAL ACTION TO CREATE A DEVELOPMENT COOPERATION PROGRAM FOR THE CARIBBEAN. HE WOULD LIKE TO PLAY A MAJOR ROLE AND TO WORK CLOSELY WITH US. HE

EXPECTS-- AND URGES-- THAT THE EFFORT INCLUDE LATIN AMERICAN COUNTRIES BORDERING THE BASIN-MEXICO, COSTA RICA AND COLOMBIA -- AS WELL AS CANADA AND THE METROPOLITAN COUNTRIES. LARGELY DUE TO HIM, AND MANLEY, THE BOGOTA MEETING WENT ON RECORD AS SUPPORTING THE IDEA OF INTERNATIONAL COOPERATION IN THE AREA. HE HAS ALSO URGED THAT SOME OF THE INTERESTED DONORS MEET AS SOON AS POSSIBLE, INFORMALLY AND QUIETLY, TO BEGIN TO EXCHANGE IDEAS; HE BELIEVES THE GROUP CAN BE EXPANDED LATER AS NECESSARY. BUT THAT IT SHOULD GET STARTED. HE HAS SUGGESTED THAT THE IDB HOST SUCH AN INFORMAL MEETING. FROM HIS CON-VERSATIONS WITH PRESIDENT CARTER AND AMBASSADOR YOUNG, CAP PERCEIVES US--AND HAS EVERY RIGHT TO--AS GENERALLY IN AGREEMENT WITH HIM. INDEED, DURING AMBASSADOR YOUNG'S VISIT WE SPECIFICALLY AGREED THAT VENEZUELA AND THE US SHOULD JOINTLY BUT SEPARATELY URGE ORTIZ MENA TO SET UP SUCH AMEETING(REF A).

3. ERIC WILLIAMS, I GATHER, HAS PERCEPTIONS AND EXPECTATIONS THAT ARE TO A LARGE DEGREE CONTRADICTORY AND MUTUALLY EXCLUSIVE. IF I UNDERSTAND IT RIGHT, HE SEES TRINIDAD/ TOBAGO AS THE LEADER (WITH THE US) IN THE CONSORTIUM; HE APPEARS TO REJECT THE "AGREEMENTS" REACHED IN THE CARTER-CAP CONVERSATIONS, AND TO REJECT THE IDEA OF "LATIN AMERICAN" ASSOCIATION AND OF IDB INVOLVEMENT: HE RELEGATES VENEZUELA TO A MARGINAL AND AMBIGUOUS ROLE. MOREOVER, BY CONFIDENTIAL

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PAGE 03 STATE 200241

MOVING RAPIDLY, INCLUDING CONSULTATIONS WITH THEIMF, WILLIAMS HAS IN HIS LETTER TO THE SECRETARY (REF B) "SEIZED THE HIGH GROUND" AND LAID OUT SPECIFIC PROPOSALS TO WHICH WE MUST NOW REACT.

4. I DO NOT SEE HOW WE CAN ACCEPT THE TT PREMISES
AS THEY STAND WITHOUT REBUFFING VENEZUELA AND GIVING
CAP GROUND FOR CHARGING WE WENT BACK ON OUR WORD.
NOR, DO I SUPPOSE, COULD WE SIMPLY EMBRACE CAP'S IDEAS
WITHOUT REBUFFING WILLIAMS WHOSE IDEAS AS AMBASSADOR FOX
HAS POINTED OUT WE HAVE ALSO SOUGHT. THE POINT IS
THAT WE THUS FIND OURSLEVES SUDDENLY CAUGHT IN THE MIDDLE
OF CONTRADICTIONS, MISPERCEPTIONS AND POTENTIAL MISUNDERSTANDINGS WHICH IT BEHOOVES US TO BEGIN TO UNSNARL
AS SOON AS POSSIBLE.

5. ONE POSSIBLE LINE OF ACTION TO RECONCILE OR MERGE
THESE PERCEPTIONS WAS SUGGESTED BY AMBASSADOR YOUNG WHO
BELIEVED THAT SOME OF WILLIAMS' TESTINESS REGARDING VENEZUELA
AND CARIBBEAN DEVELOPMENT MAY BE DUE TO HIS FEELINGS HAVING
BEEN HURT THAT HE WAS NOT INVITED TO BOGOTA, THOUGH OF
COURSE HIS HOSTILITY TOWARD VENEZUELA HAS BEEN OF LONG

STANDING. AMBASSADOR YOUNG THOUGHT THAT GESTURES TOWARD TRINIDAD, SUCH AS HOLDING THE IDB-SPONSORED MEETING THERE WOULD BE OF GREAT HELP. PERHAPS URGING VENEZUEAL TO CATER TO WILLIMAS SENSITIVITIES WOULD HELP.

6. ANOTHER "OPENING" IS SUGGESTED BY PEREZ GUERRERO'S OBSERVATIONS (PARA 6 REFTEL A) THAT WE SHOULD PUSH INTEGRATION AMONG THE ISLANDS THEMSELVES. SUPPORT OF CENTRAL AMERICA OR THE MAINLAND STATES WOULD BE "COOPERATION", BUT THE PLAN SHOULD BE TO FORCE THE ISLANDS TO COMPLEMENT THEIR ECONOMIES.

7. IN ANY CASE, I THINK IT WOULD BE A GREAT MISTAKE TO EXCLUDE THE LATIN AMERICAN NATIONS, LIKE MEXICO AND CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 200241

VENEZUELA, OR THE IDB FORM PLANNING. THEIR RESOURCES
ARE NECESSARY. MOREOVER, TO PERPETUATE THE IDEA OF
DIFFERENCES BETWEEN THE CARIBBEAN AND LATIN AMERICANS IS
TO RETROGRESS FROM THE KIND OF UNITY AND JOINT APPROACHES
THAT WORKED SO WELL IN GRENADA. WHTHER THE IMF OR THE IDB OR
THE IBRD SHOULD BE A CONSORTIUM LEADER, I LEAVE TO THE EXPERTS,
BUT I DO NOT SEE THAT MUCH HARM CAN COME FROM GOING AHEAD
ON OUR COMMITMENT TO MEET WITH THE IDB INFORMALLY AND
PRELIMINARILY, WHILE I THINK MUCH HARM WOULD RESULT FROM BACKTRACKING FROM THE COMMITMENT...VANCE

UNQUOTE CHRISTOPHER

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